

**MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE**

**Sumy State University**

Academic and Research Institute of Business, Economics and Management  
(Institute/faculty)

Department of Economics, Entrepreneurship and Business Administration  
(department)

“Defense allowed”

Head of the Department

\_\_\_\_\_ Oleksandra KARINTSEVA  
(signature) (Name and SURNAME)

\_\_\_\_\_ 20\_\_\_\_ .

**QUALIFICATION WORK**

**towards attaining a Master's Degree**

specialty 073 Management,  
( code and title )

educational-professional program Business Administration  
( educational-professional / educational-scientific ) ( program )

Topic : Features business planning economic processes oil refining industry of  
China

Student BA.M – 22aH Ding Lin  
( group code ) ( surname , name )

The qualification work contains the results of own research. The use of ideas, results and texts of other authors are linked to the corresponding source.

\_\_\_\_\_  
( signature )

Ding Lin  
( student's Name and SURNAME )

Supervisor \_\_\_\_\_

( position , academic degree, academic title, Name and SURNAME)

\_\_\_\_\_  
( signature )

**Sumy – 2024**

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## INTRODUCTION

***Relevance of the thesis*** . The world practice of managing enterprises, companies and corporations that have achieved significant economic indicators shows multiple examples of the application and use of business planning of economic processes. In contrast, when companies do not apply business planning, they face financial difficulties that can lead to bankruptcy in the future. From the development of market relations and the influence of competitive forces, planning of economic processes of companies requires special attention. In today's conditions, China continues to develop rapidly and has a huge influence on the world market due to growing export volumes. The PRC exerts a significant influence on the development of foreign trade and the economies of other partner countries. That is why the pace and features of international cooperation determine and even more stimulate the development of business plans for companies.

The presence of a business plan becomes even more important as an official document that is necessary for improving the methods of calculating the economic efficiency of investments and making management decisions.

***The purpose of the study*** is the analysis and evaluation of business plans in the process of planning the activities of companies.

***Object research*** - business planning of companies

***Subject research*** - development of business plans in the process of organizing the activities of companies.

***Task research:***

- a) To provide the essence and form the goals of business planning of economic processes
- b) To analyze and evaluate the international rating regarding the quality of business planning of companies among the countries of the world
- c) To analyze and evaluate the peculiarities of developing a business plan in conditions of free competition
- d) lead functional signs and species business plans in modern conditions

- e) assess the opportunities and threats of the implementation of the business plan based on the SWOT analysis
- f) to evaluate the peculiarities of business planning of Chinese companies.

**Research methods** . In the research process, scientific methods were used, in particular, economic analysis, comparison (analysis, assessment of economic indicators of companies).

**The work contains three sections.** The first chapter **ECONOMIC CHARACTERISTICS OF BUSINESS PLANNING OF ENTREPRENEURIAL ACTIVITIES**. Elucidates the essence and goals of business planning of economic processes.

In the second chapter, **BUSINESS PLANNING OF ECONOMIC PROCESSES IN CONDITIONS OF FREE COMPETITION**, the peculiarities of developing a business plan in conditions of free competition are investigated, the main functional features of a business plan are given. An assessment of favorable opportunities and threats to the implementation of the business plan in competitive conditions was carried out on the basis of SWOT analysis .

In the third chapter, **FEATURES OF BUSINESS PLANNING OF ECONOMIC PROCESSES ON THE EXAMPLE OF CHINESE COMPANIES** the peculiarities of business planning are investigated using the example of Chinese companies. The economic indicators of the companies' activities were analyzed and conclusions were made regarding the companies' effective work.

**Factual basis research** includes scientific articles in specialized publications, textbooks, analytical publications, official information from open sources regarding economic indicators of companies.

**Key words:** economy, business planning, companies, activity, business plan, efficiency, profit, costs, assets, equity.

# 1. ECONOMIC CHARACTERISTICS OF BUSINESS PLANNING OF ENTREPRENEURIAL ACTIVITIES

## 1.1 Concepts and goals of business planning of economic processes

In the conditions of instability of the factors of development of economic systems, the business environment (BE) requires companies to plan their strategic and operational activities in more detail, forecast and identify threats and opportunities for their further functioning. As a result, an important element of managerial management is the business planning of companies' activities (BPCA), as the ability to analyze and make management decisions, predict the reactions of companies to challenges and requests of external BS and maintaining its appropriate behavior on the market.

Thus, business planning is a systemic economic element of modern management, which helps the company to determine the purpose and tasks of its operation, to offer a system of directions for improvement and improvement of activity results [1].

Taking into account modern trends in the world environment, the term "Business planning" is quite popular and has relatively influential advantages. However, analyzing the economy of China, we can conclude that our country has its own views and differences in the process of developing business plans and organizing activities taking into account the requirements of a permanent BP. Yes, according to Carnegie Asia Program senior fellow Yukon Huang told FRONTLINE and NPR, *"The 'Chinese model' is a mixture of national control and ownership of resources and economic activity dominated by private entrepreneurs ."* Thus, the state has a substantial right to own and exercise control over energy resources and the financial system. However, taking into account the rapidly changing trends in the world and the external advantages of entering global markets, the Chinese government may delegate certain responsibilities in certain areas to other individuals or private companies. Here, attention should be paid to

constant monitoring of the market, analysis and assessment of the state of the competitive environment, development of plans for the implementation of technical and innovative changes.

Taking into account the experience of European companies, domestic enterprises are trying to organize BPCA, thus creating certain companies and even industries as national champions that begin to dominate the domestic economy. As a result, the prerequisites for the emergence of a specific Chinese economy with features of socialism or a socialist market economy are created. [2]

But sometimes in the process of achieving a successful organization of the company's activities, their management faces problems that are not present in Western economies. Of course, each country has its own characteristics and differences, so one and the same indicators cannot be imposed on everyone. So, for example, not the competitiveness of business plans, as a BS factor, is justified by a mistaken attitude to BPCA. The client of the business plan has a clear idea and idea of how to achieve a successful organization of the company's activities. However, for this, it is sometimes necessary to attract investors or potential shareholders, for whom the quality of the business plan is mainly important. And here contradictions arise, future partners offer instead of a business plan an alternative in the form of a concise technical and economic justification [3], thus trying to change the conditions and direction vector of companies and exclude the occurrence of risk and non-return of funds.

According to numerous studies on the occurrence of economic risk (ER) and the occurrence of the risk of bankruptcy, in particular, of small enterprises in the USA, more than 90 percent is associated with unsatisfactory levels of management and insufficient knowledge and skills of organizing and conducting economic activities (table. 1.1)

Table 1.1 – Factors of economic risk of companies [4]

No	Reasons	% in the overall structure	Influence dynamics
1	Incompetence	45%	Negative (-)
2	Low professionalism	20%	Negative (-)
3	Lack of management experience	18%	Negative (-) for management staff and administration (top managers, financial directors)
4	Lack of work experience in production	9%	Negative (-) for workers employed in production
5	Non -performance assumed obligations	3%	Negative (-)
6	Reasons that do not depend from quality management company	2%	Negative (-), mostly external factors that the company is unable to control

According to the given table, which characterizes the factors of the occurrence of ER, it can be seen that significant importance in achieving and increasing the efficiency of the economic activity of companies is assigned to the increase and improvement of competence and improvement of management experience (as an alternative, the involvement of the experience of successful companies, the European model of management).

An important argument in favor of using BPCA is the international rating, which analyzes the conditions of doing business, the conditions of obtaining credit, the quality of business planning among other countries of the world (table. 1.2)

Table 1. 2 – Rating of the countries of the world in terms of favorable conditions of BPCA [5]

Economy	Ease of Doing Business Rank	Rank within group	Starting a Business	Dealing with Construction Permits	Getting Electricity	Registering Property	Getting Credit	Protecting Minority Investors	Paying Taxes	Trading across Borders	Enforcing Contracts	Resolving Insolvency
New Zealand	1	1	1	7	48	2	1	3	9	63	23	36
Singapore	2	2	4	5	19	21	37	3	7	47	1	27
Hong Kong SAR, China	3	3	5	1	3	51	37	7	2	29	31	45
Denmark	4	4	45	4	21	11	48	28	8	1	14	6
Korea, Rep.	5	5	33	12	2	40	67	25	21	36	2	11
United States	6	6	55	24	64	39	4	36	25	39	17	2
Georgia	7	7	2	21	42	5	15	7	14	45	12	64
United Kingdom	8	8	18	23	8	41	37	7	27	33	34	14
Norway	9	9	25	22	44	15	94	21	34	22	3	5
Sweden	10	10	39	31	10	9	80	28	31	18	39	17
Lithuania	11	11	34	10	15	4	48	37	18	19	7	89
Malaysia	12	12	126	2	4	33	37	2	80	49	35	40
Mauritius	13	13	20	8	28	23	67	18	5	72	20	28
Australia	14	14	7	11	62	42	4	57	28	106	6	20
Taiwan, China	15	15	21	6	9	20	104	21	39	61	11	23
United Arab Emirates	16	16	17	3	1	10	48	13	30	92	9	80
North Macedonia	17	17	78	15	68	48	25	12	37	32	47	30
Estonia	18	18	14	19	53	6	48	79	12	17	8	54
Latvia	19	19	26	56	61	25	15	45	16	28	15	55
Finland	20	20	31	42	24	34	80	61	10	37	45	1
Thailand	21	21	47	34	6	67	48	3	68	62	37	24
Germany	22	22	125	30	5	76	48	61	46	42	13	4
Canada	23	23	3	64	124	36	15	7	19	51	100	13
Ireland	24	24	23	36	47	60	48	13	4	52	91	19
Kazakhstan	25	25	22	37	67	24	25	7	64	105	4	42
Iceland	26	26	64	72	16	16	94	28	42	53	33	12
Austria	27	27	127	49	29	31	94	37	44	1	10	22
Russian Federation	28	28	40	26	7	12	25	72	58	99	21	57

So, according to the given international ranking among the countries of the world, which is published every year by the World Bank, the countries that have favorable conditions for BPCA are listed. However, in some parameters the countries do not occupy the first positions and sometimes not the best. Thus, China is above average (15 out of 28 in Table 1.2) for doing business, but below average (21 out of 28 in Table 1.2) in organizing and starting a business. This is primarily due to state control over certain spheres of BS. Also, significant difficulties are observed in the payment of taxes, according to table 1.2, the value is 104 out of 190 of all countries participating in the survey. But the country has made significant progress in issuing building permits, with a value of 6 out of 28 listed in Table 1.2. However, taking into account the overall ranking of 190 countries, the value of China is considered the best. Therefore, it is to be hoped that the country's leadership will contribute to the development and improvement of business organization and increase the efficiency of BPCA.

## **1.2 Features and functional characteristics of a business plan**

Taking into account the changes taking place in the world and the growing need to maintain the competitiveness of the company in BS, there is an urgent need to develop a business plan (BP). BP helps to cover all functionally important directions in the company's activities. Accordingly, its development, evaluation of effectiveness and control over implementation creates conditions for reducing the probability of occurrence of GR, both in the functioning of existing and in the implementation of new directions of business activity [1].

BP covers all areas of any entrepreneurial activity that is just starting or already functioning with the aim of improving it. In a general sense, the business plan contains the ways and directions of solving the problem, its thorough assessment, analysis and justification of profitability, efficiency of the proposed business activity. It is worth noting that the business plan is both an external document for the use of the company's management and shareholders and for

attracting potential investors and financial partners, in some cases (if necessary) highly qualified specialists [6]

Therefore, it is very important to try to develop a high-quality BP for domestic enterprises. It will combine and perform a set of actions aimed at targeting the external and internal aspects (Fig. 1.1 and Fig. 1.2)

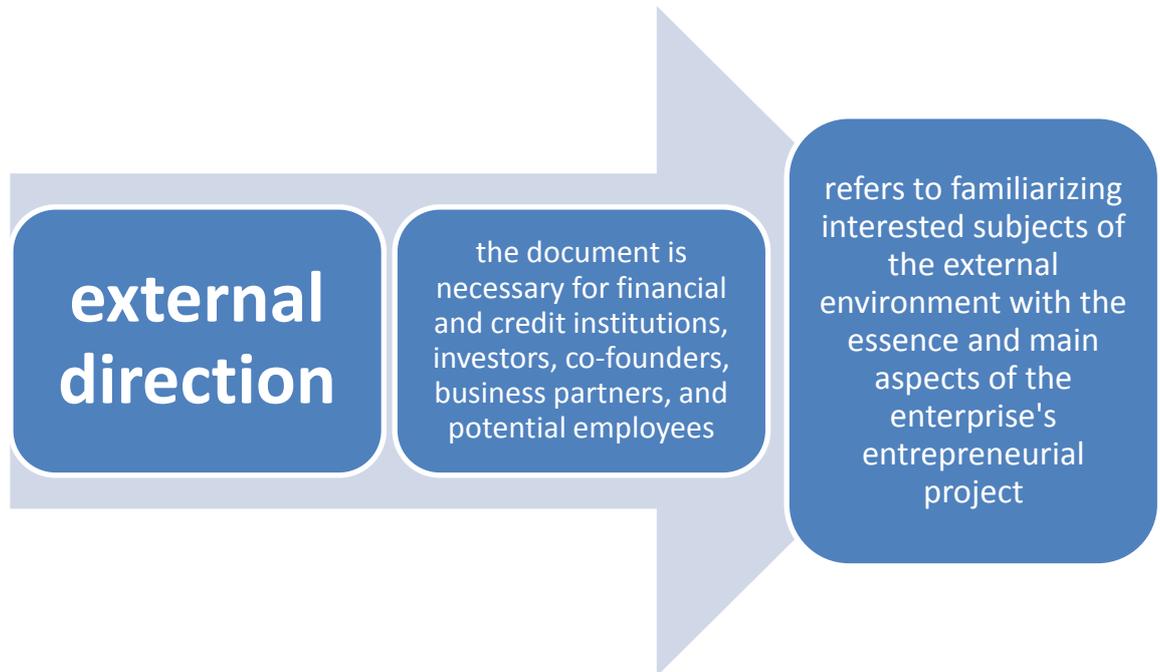


Figure 1.1 - External direction of business plan [7]

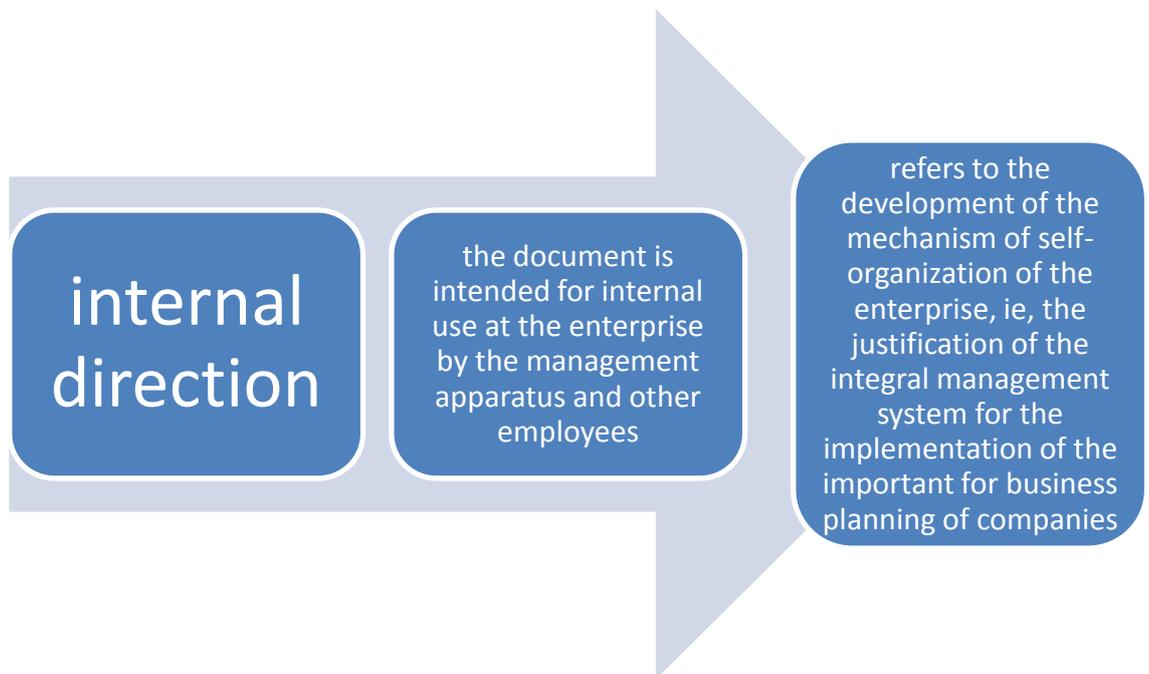


Figure 1.2 - Internal direction of business plan [8]

It is worth noting that the n shown in fig. 1.1 and fig. 1.2 external and internal aspects of BP, make it possible to evaluate the advantages and disadvantages that arise in the activities of companies. It should be noted that the given aspects make it possible to distinguish the functions performed by the BP. Thus, BP performs the following functions (Fig. 1.3) [8].

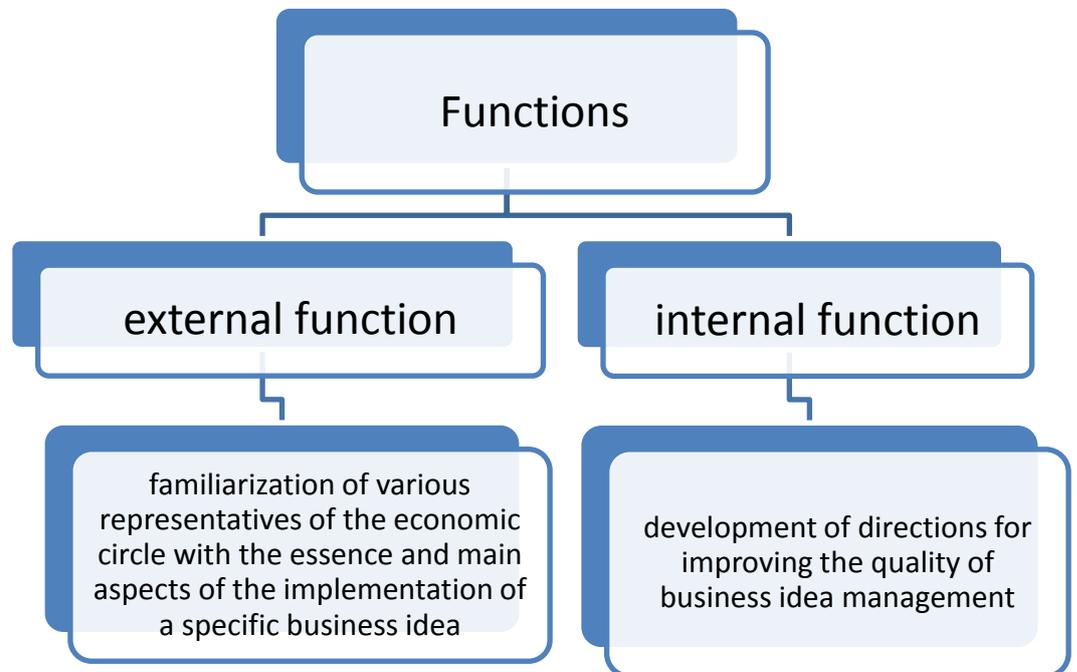


Figure 1.3 – The most important functions of BP [8]

The specified functions and aspects complement each other in a certain way and almost equally reveal the essence of the business planning processes of companies.

For a more detailed and complete assessment of the business plan, we consider it expedient to list the types of BP that perform different functions for different economic entities in relation to the set goals and objectives (table. 1.3)

Table 1. 3 – Types of business plans in modern conditions [1]

Type of BP	Definition	Data included in the business plan	Features of application
Starting plan:	it is the documentation of the company's plans, containing information about the product or services that the company is trying to release to the market	It is worth noting that it is based on forecast data and hypotheses. Often this document is also accompanied by a detailed financial statement so that investors can determine the viability of the new business entity.	At the time of creation of the company
Technical and economic plan	it is documentation that evaluates potential consumers of the products or services that the company is to produce. In addition, analyzes the potential profit or loss from the enterprise	It is calculated on the basis of data from the company's financial statements. Calculation data make it possible to determine the duration that will be needed to achieve an economic result, and the profit that it will provide from investments.	In the process of functioning of the company
Expansion plan:.	documentation assessing opportunities and threats to expand production or structure. Analyzes the main steps and directions for internal or external growth of the company.	Based on forecast data and hypotheses for increased production, financial investments, hiring additional personnel and much more	During the period of operation of the company and forecasts for the future expansion of activities (production), the structure of the company
Operational plan (annual plan)	it is the documentation that contains information about the day-to-day activities and strategies that a business must follow in order to achieve its goals.	It is based on economically justified calculations, which are based on information from product suppliers and depend on changes in macroeconomic indicators (inflation, GDP)	In the process of functioning of the company. It is worth noting that the plan clearly outlines the roles and responsibilities of the governing body, various departments and employees of the company for the overall success of the firm.
Strategic plan	this document corresponds to the internal strategies of the company and is part of the foundations of the institution.	It is based on SWOT analysis data.	In the process of functioning of the company

The given table 1.3 characterizes and summarizes different types of BP, which have their own characteristic features, data for calculation and suggestions and features for application.

Therefore, BP is an important tool, which, firstly, is effective and economically justified at the time of business creation; secondly, able to predict future directions of activity in the conditions of market relations and competitive changes; thirdly, it is an economic lever for attracting investors, finding partners and expanding production, the range of services, or introducing new products to the market. Existing signs and reasonable characteristics of a business plan create a need and form new requirements for companies.

## **2. DISCOVERING THE ADVANTAGES OF BUSINESS PLANNING OF ENTREPRENEURIAL ACTIVITIES IN THE CONDITIONS OF COMPETITION**

### **2.1 Peculiarities of drawing up a business plan taking into account competitive advantage**

It is important to constantly increase the competitiveness of companies in modern conditions. It is for the sake of increasing the efficiency of operations and profitability that companies combine the efforts of highly qualified and competent specialists to justify a complete management system for drawing up and implementing a high-quality BP for the enterprise.

Thus, the main tasks should be solved by a high-quality BP, in particular:

- A. To substantiate the economic expediency of new areas (projects) of company development;
- B. Calculate the financial results of the company's activities, in particular sales volume, profit level and income on capital.
- C. Determine sources of financing for the chosen strategy of companies' competitiveness;
- D. attracting highly qualified and competent specialists who are able to implement planned tasks, etc. [ 9 ].

It is worth noting that the development of BP should take into account the specifics of the companies' industry affiliation and be based on modern strategies of firms' competitiveness. However, in the conditions of an unstable economic system or transformational changes, there is a need to take into account the factors that form the company's competitive BE, as a circle of qualitative forecasting of economic processes of transition from one competitive state to another. In this case, the factors affecting the BS should always interact with the goals of business planning

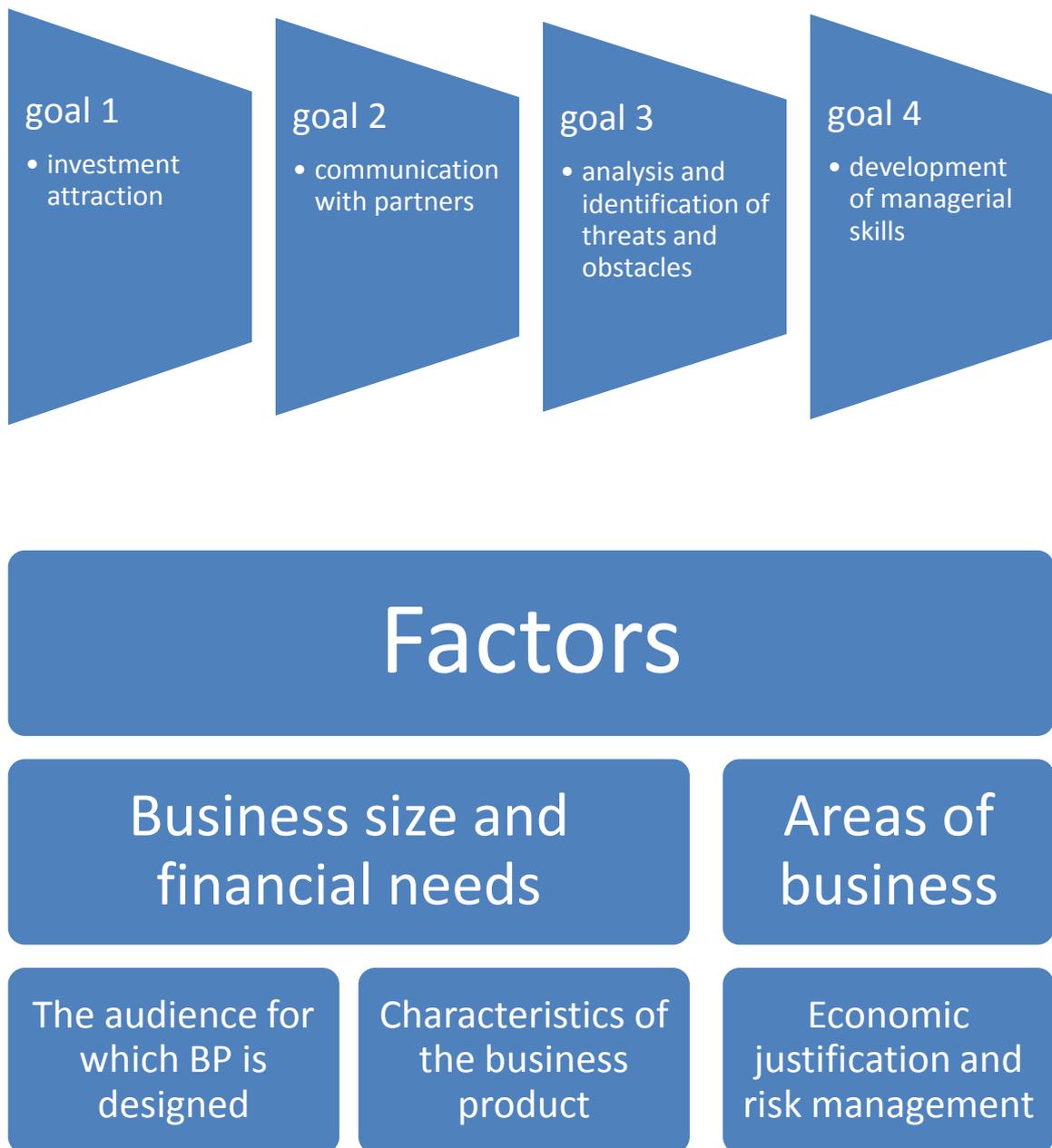


Figure 2.1 - Coordination of the factors of a high-quality business plan with the goals that appear in the process [10]

Alignment of factors with the goals of business planning is the key to a high-quality and successful business plan. However, in order to increase the competitiveness of companies, it is necessary to form competition strategies that,

from a practical point of view, have the ability to ensure the stability of the company's competitive positions, taking into account an economically justified approach to solving financial problems and avoiding economic risk. These are some of the bridge common elements in many business plans .



Figure 2.2 - The some of the bridge common elements in many business plans [11]

Figure 2.2 shows the sequential structure and sections that should be in the PSU. It is important to focus on the product description section, because there is a need to create a competitive advantage of the product in order to attract more consumers. Michael Porter's innovative concept allows you to break down the company's activities into separate segments or processes that represent the creation and formation of competitive advantages. [12]. It is thanks to the competitive advantage that the uniqueness and attractiveness of the product is created for consumers, and for companies it increases competitiveness and profitability. It is also important to mention systematic work on risk management and working out all possible decision-making options with minimal losses. However, before starting to process the scenarios of further development of the company, it is worth deciding on the sequence of risk assessment (Fig. 2.3)

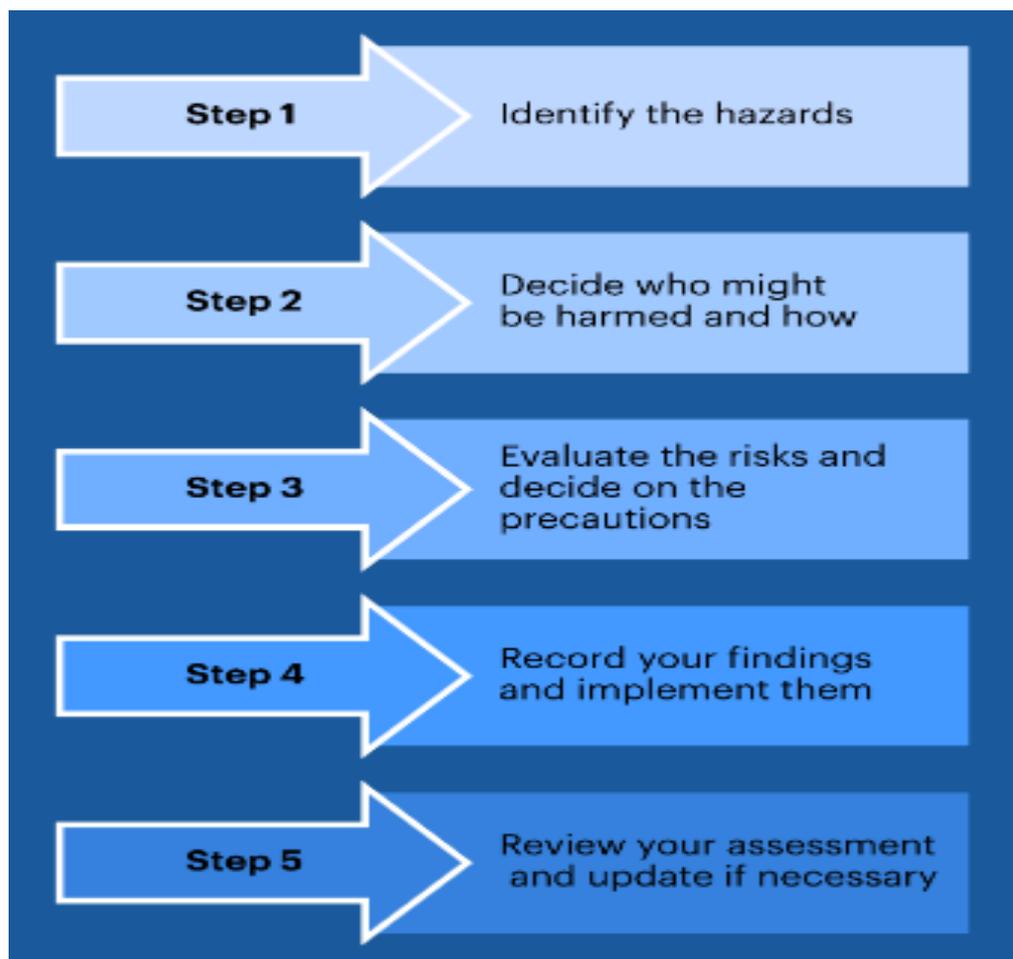


Figure 2.3 – Risk assessment in business planning [13]

The stages of risk assessment shown in Fig. 2.3 are directly related to qualitative and quantitative assessment. Analyzing the risk from a qualitative aspect, it is necessary to specify it and determine the probability of its occurrence, and in case of detection, to form methods for eliminating the risk and forecast its economic consequences. In the case of quantitative risk assessment, special attention should be paid to the analysis of the break-even point, analysis of sensitivity to risk, analysis of scenarios (high, medium, low level of risk). [14]

Thus, when forming successful and economically attractive business plans, it is worth predicting possible advantages and obstacles for the company, as well as the probability of risk and financial instability

## **2.2 Assessing the need for SWOT analysis when implementing a business plan**

Functioning in an open and free economic environment makes it necessary to constantly respond to changes and show readiness to make decisions with minimal losses for the company. External externalities create an impact on companies both in a positive direction (economic levers contribute to the development of new sales markets, expansion of production, development of new types of activities), and in a negative way (adopting laws to limit entrepreneurial activity, imperfect competition, barriers to entry into the industry) . If external externalities act in a positive direction, they create potential and additional opportunities for development for the company. If external externalities act in a negative direction, they create threats to the further functioning of companies. Therefore, in this case, we consider it expedient to consider a SWOT analysis, which allows you to build and evaluate a strategic balance and analyze a possible change in the company's behavior in the business environment. External factors include opportunities that stimulate entrepreneurial activity in a positive direction, and threats that restrain the company's development in a negative direction.

However, the SWOT analysis is also focused on the internal corporate strategies of the company's development and the analysis of the internal environment. For internal analysis, as a rule, the strengths and weaknesses of the company are taken

This combination of internal and external environmental factors makes it possible to form a company development strategy with strengthening opportunities and strengths and overcoming threats and eliminating threats [15].



Figure 2.4 - SWOT analysis [16]

Figure 2.4 shows the main components of the SWOT analysis and presents indicative and conditional signs that identify them. However, sometimes companies, during analysis and business planning, form questions and comments or notes for each component that should be taken into account.

Conditional and indicative questions depend on the specifics of the business, the specifics of the industry, the level of equipment and the technical and technical level of the company

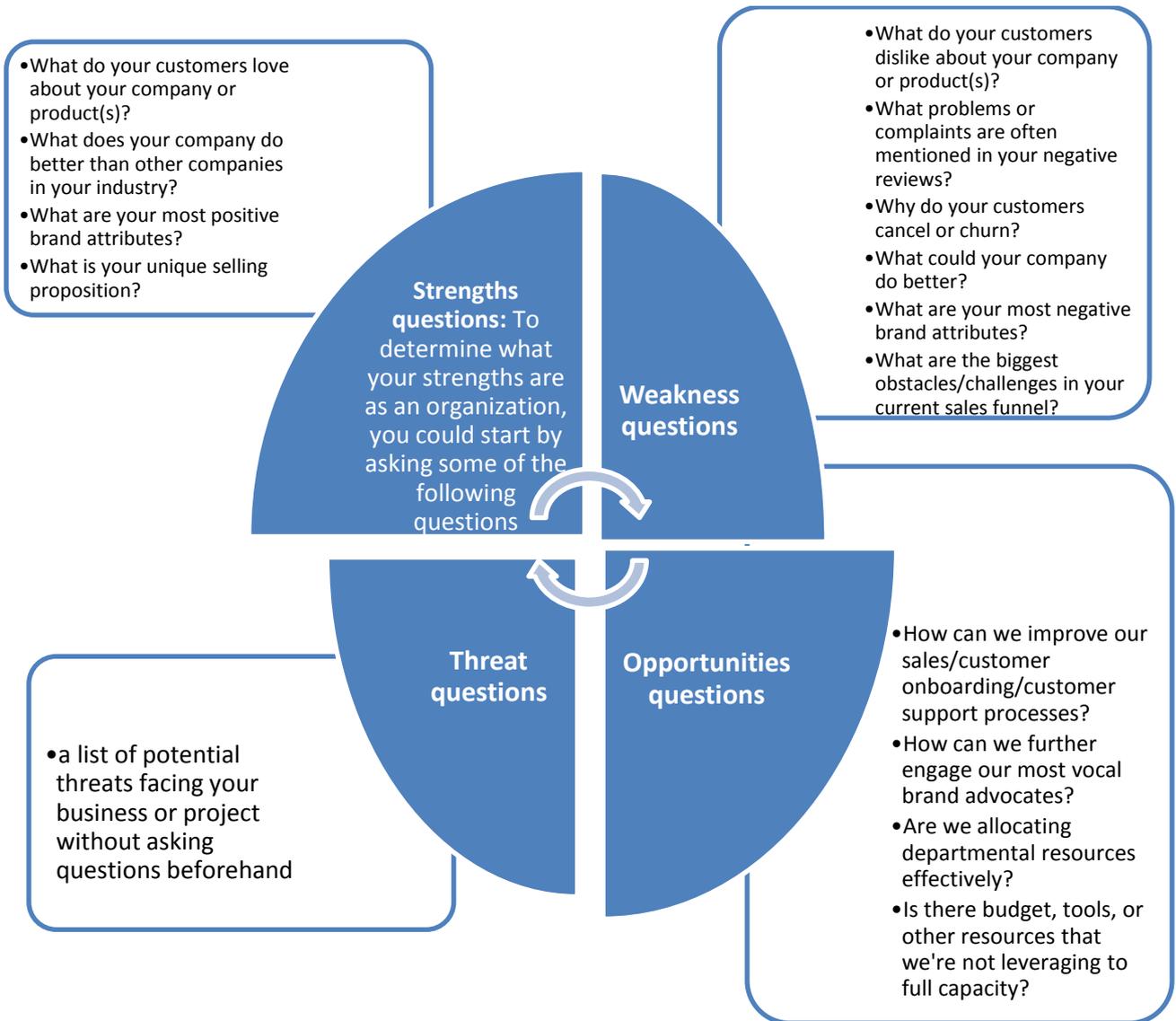


Figure 2.5 - Conditional indicative questions for SWOT analysis [16]

Thus, according to Figure 2.5, you can conduct conditional indicative surveys of your business for the purpose of forming a business plan and further development. However, the survey can be supplemented with questions and notes that the company's management should take into account in the process of forming a business plan. For each question, you can set a point scale to get a specific value for each block of the SWOT analysis. The rating scale may depend on the type of business, its impact on the market. In this case, leading experts (external or qualified specialists from among the company's employees) can be involved. As a

result of the analysis, a certain idea about opportunities and potential threats is formed, as well as strengths and weaknesses are revealed.

Therefore, conducting the analysis creates prerequisites and builds the basis for successful business planning, taking into account the potential opportunities and strengths of the company.

### **3 FEATURES OF BUSINESS PLANNING OF ECONOMIC PROCESSES IN THE OIL REFINING INDUSTRY OF CHINA**

In the conditions of rapid economic development of Chinese companies, increasing the efficiency of operations and achieving competitiveness play a special role. However, it is important to consider that understanding what this efficiency and desired competitiveness depends on can lead to the achievement of the set goals. Therefore, a correctly chosen strategy of the company, corresponding volumes of production and provision of services ensure the maximum possible level of profitability. It is worth remembering that the company's activity is determined, first of all, by the economic situation, which can be influenced by macroeconomic factors, in particular, increased inflation, industry proportions and consumer demand, market conditions. It should also be added that increasing the efficiency of operations and achieving the company's competitiveness can be achieved by improving and/or expanding existing production facilities.

In this case, it is important to take into account the specifics of the production process and specialization for each specific company during business planning of companies.

Thus, in our work, we analyzed the activities of several companies in the oil refining industry in China. Special attention was paid to PetroChina , which was established as part of the Chinese state-owned China National Petroleum Corporation (CNPC) in 1999. Other Chinese oil refining companies were used for comparative analysis and to determine the efficiency, strengths and weaknesses of each.

**So, the PetroChina company** . In the course of the restructuring of CNPC , mining, processing, petrochemical and natural gas assets were transferred to PetroChina . The organizational and legal form of PetroChina is a joint-stock company, the controlling block of shares belongs to CNPC.

In the Forbes list of the largest companies in the world Global 2000 for 2022, the company took 21st place (5th in terms of revenue, 56th in terms of net profit, 104th in terms of assets and 80th in terms of market capitalization [17])

The main areas of the company's activities are focused on such areas as exploration, development and production of oil and natural gas, as well as processing, transportation and distribution of oil and oil products, petrochemical products and sale of natural gas. So, based on various qualifying areas of activity, the main divisions of PetroChina can be distinguished [18] Fig. 3.1:

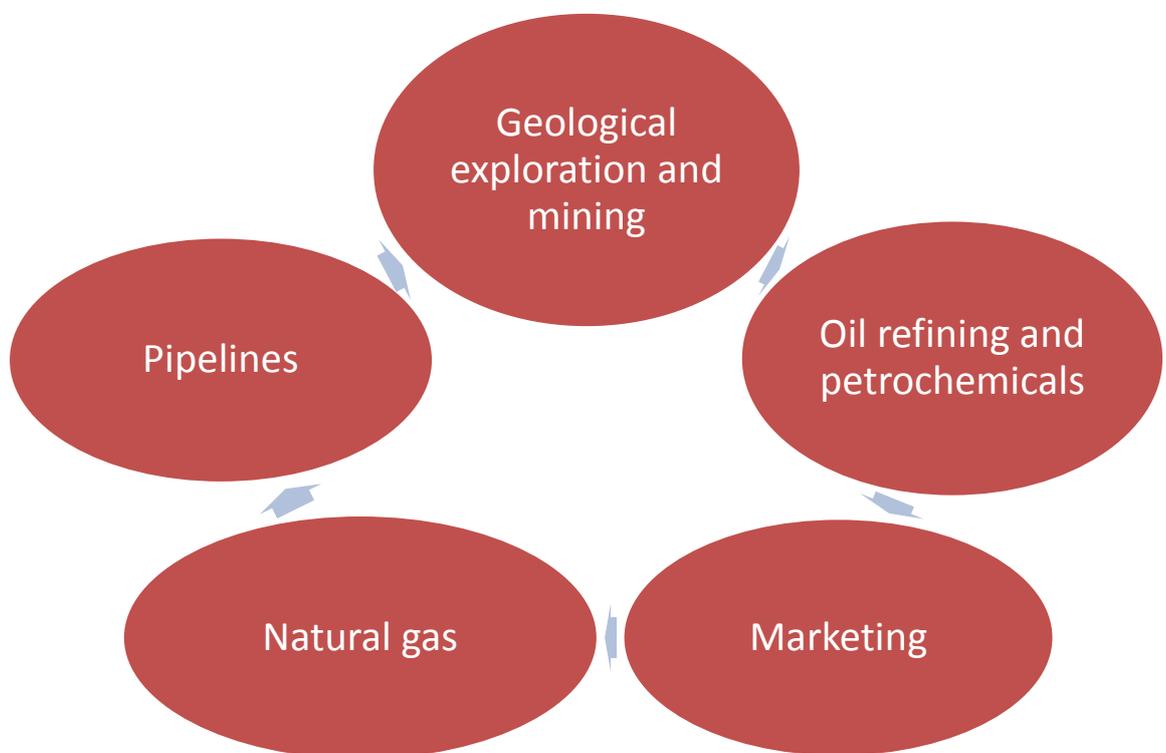


Figure 3.1 - The main divisions of PetroChina [18]

In total, PetroChina owns more than 20 oil refining and petrochemical enterprises in China. The total productivity of the refinery is 3.78 million barrels per day. Thus, in 2021, about 1.225 billion barrels of oil were processed (165.8 million tons, 3.356 million barrels per day), the output of finished products

included: gasoline - 49.4 million tons, diesel fuel - 48.2 million tons, gas - 11.1 million tons. Taking into account the importance and specificity of petrochemical products, ethylene (6.71 million tons), synthetic resins (10.9 million tons), synthetic fibers and polymers (1.15 million tons), urea (2, 42 million tons), synthetic rubber (1.04 ml ) [19].

In addition, the company owns 22,800 gas stations, fuel sales for 2021 amounted to 163.3 million tons, of which 112.5 million tons — in China; the market share of the People's Republic of China is 35.3% [19] other financial indicators of the company are given in the table. 3.1.

Table 3.1 - Financial indicators of PetroChina by year, in trillions of Chinese yuan, (2000, 2005 - 2021) [ 20, 21, 22, 23, 24]

Indexes Years	Circulation	Net profit	Assets	Equity
2000	0.245...	0.055...	0.432...	0.272...
2005	0.553...	0.140...	0.784...	0.546...
2010	1,465	0.151	1,656	1,010
2011	2,004	0.146	1,918	1,083
2012	2,195	0.131	2,169	1,181
2013	2,258	0.142	2,342	1,270
2014	2,283	0.119	2,405	1,318
2015	1,725	0.042	2,394	1,344
2016	1,617	0.029	2,397	1,373
2017	2,016	0.037	2,405	1,381
2018	2,354	0.072	2,432	1,411
2019	2,517	0.046	2,733	1,444
2020	1,934	0.019	2,488	1,367
2021	2,614	0.092	2,502	1,409

According to the given financial information by year, it can be seen that the net profit, starting from 2000, is gradually increasing until 2010. From 2013, a sharp decrease begins until 2016, but the next two years are accompanied by an

increase. However, the level of equity does not rise steadily until 2019, but from 2020, a not significant reduction in VC is noticeable.

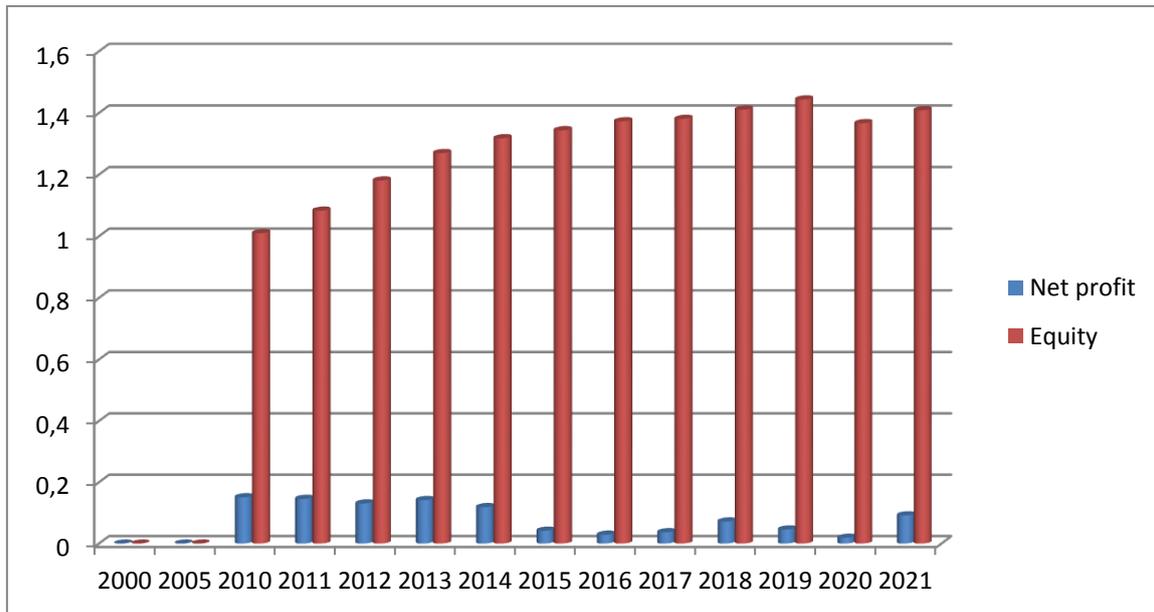


Figure 3.2 - Comparative dynamics of changes in net profit and equity indicators of the PetroChina company by year, based on the data in table 3.1

This comparative dynamics was built on the basis of the data shown in table 3.1. According to the diagram, it is clearly visible that the level of net profit and the level of the company's equity are independent values. Thus, the equity capital increases due to share contributions of shareholders and additional invested capital.

For successful work for 25 years, the company PetroChina created and expanded its capabilities thanks to subsidiary companies, which are shown in fig. 3.2

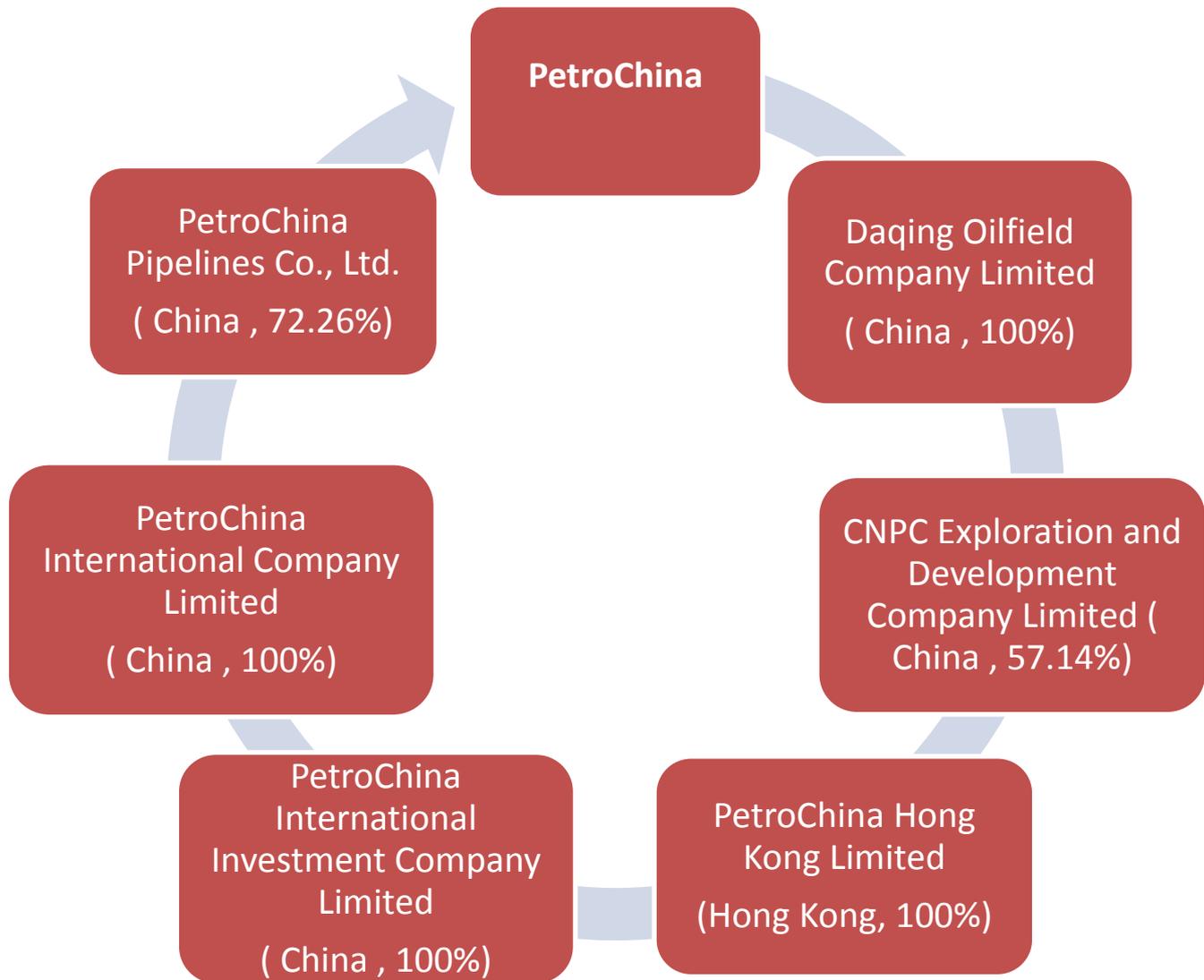


Figure 3.2 – Subsidiaries of PetroChina [24]

From fig. 3.2 shows that the subsidiaries are located in China, therefore most of the revenue, approximately 60%, is located in the PRC.

Other companies competing with PetroChina include Sinopec and CNOOC. The comparative characteristics of the companies according to the main financial indicators are shown in table. 3.2

Table 3.2 - Comparative characteristics of Chinese companies by financial indicators [18, 25, 26]

Company	PetroChina	Sinopec	CNOOC
circulation , billion yuan	2354	2891	227
Net profit , billion yuan	72,416	61,618	52,688
Assets , billion yuan	2432	1592	679
Equity , billion yuan	1411	856.54	417.37
Market capitalization , US\$	198	96	76
Cooperation , t i p. ch o l	476.2	423.5	18.3
Reserves , billion barrels	20,39	2.80	4.96
Production , million barrels day	4.17	1.13	1.30
Oil refining , million barrels day	3.78	4.9	-
Number of gas stations	22 t i syach i	30 tons per hour	-

According to the given table 3.2, it can be seen that the net profit of the company PetroChina is much higher than that of its competitors. This creates financial stability for the company and opportunities for further development and expansion of the spheres of activity. In addition, the presence of a large number of oil reserves and developed mining activities significantly affects the company's financial performance. The oil and gas company occupies the second position in terms of production volume **Sinopec Limited** , or **China Petroleum & Chemical Corporation** , which was integrated as an energy and chemical company [4].

A significant part of the corporation's oil is extracted in Africa, in 2004 an agreement was signed on the exploration, production and processing of oil in Gabon [26], in 2005 in Sudan (jointly with CNPC and the local Sudapet). In August 2009, Addax, registered in Geneva, was bought Petroleum (for \$7.5 billion), through which an 80 percent stake in Royal was acquired in 2011 Dutch Shell in the Pecten company with oil production assets in Cameroon and Nigeria [27]. In October 2012, Total bought 20 wells in Nigeria for \$2.45 billion . Thus, the presence in Africa was further increased in 2013 with the purchase of Marathon Oil plots in Angola (for \$1.52 billion ) [9]. In August 2013 at Apache Corporation bought a 33 percent stake in oil and gas fields in Egypt for \$3.1 billion [ 28 ].

Sinopec 's top managers Limited , branches of the corporation also appeared in America. Thus, in 2010, an 8 percent share in the Canadian company Syncrude , which specializes in the development of petroleum products, was bought (from ConocoPhillips for \$4.65 billion ) [ 29 ]. In October 2011, the Canadian company Daylight was bought Energy (for \$2.1 billion) [30]. In November 2011, the Brazilian division of Galp was bought Energia (for \$5.2 billion ) [31].

In August 2016, the corporation acquired 50% of the shares of the company for the construction of the gas pipeline, which connects the birthplace of Sichuan with the east of the People's Republic of China Sichuan-to-East China Natural Gas Pipeline Co, Ltd. China became other investors of this company Life Insurance (43.86%) and SDIC Communications (6.14%) [23].

As can be seen from the above events regarding the development of the company, the management of Sinopec Limited actively uses business planning in its activities regarding the development and expansion of existing facilities, new branches and subsidiaries. The main subsidiaries are shown in fig. 3.3

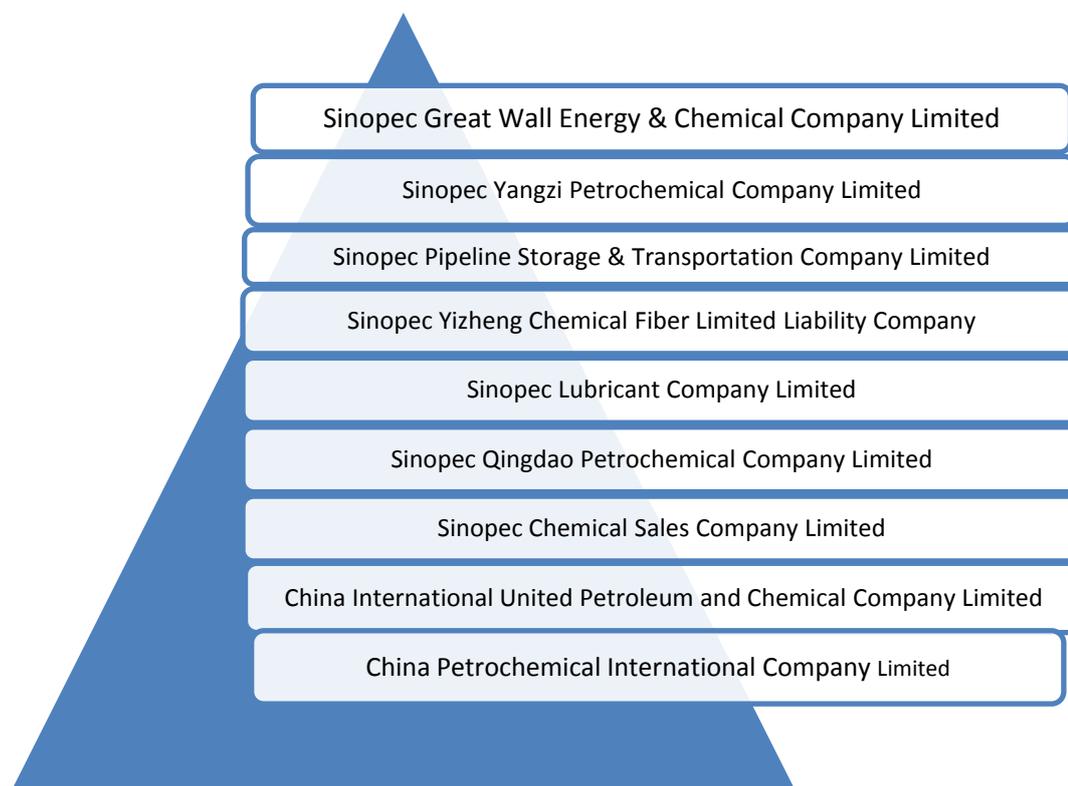


Figure 3.3 - Sinopec subsidiaries and partnerships Limited at the end of 2018  
[32]

Thanks to successful management and competence in the organization of activities, the Sinopec company Limited is listed among the largest companies in the world. Yes, according to Forbes Global 2000 for 2022 took 45th place (4th in terms of revenue, 79th in terms of net profit, 146th in terms of assets and 174th in terms of market capitalization) [3 2 ].

In addition, we analyzed the company's financial indicators in more detail (Table 3.3)

Table 3.3 - Financial indicators of Sinopec Limited by years, in trillions of Chinese yuan, (2000, 2005 - 2021) [25, 33, 34, 35, 36]

Indexes Years	Circulation	Net profit	Assets	Equity
2000	336.4	23.20	369.7	142.4
2005	817.0	41.35	545.2	226.1
2010	1913	71.78	987.9	451.0
2011	2506	73.23	1137	507.3
2012	2786	63.88	1258	548.0
2013	2880	66.13	1383	621.6
2014	2828	46.64	1456	649.6
2015	2020	32.51	1447	788.2
2016	1931	46,67	1499	831.2
2017	2360	51.24	1596	852.9
2018	2891	61,62	1592	856.5
2019	2960	57.49	1760	738.9
2020	2105	33,44	1739	746.3
2021	2741	71.98	1889	774.2

On the basis of the data in the table, diagrams were constructed for the purpose of comparison and a clearer understanding of the dynamics of the growth of indicators.

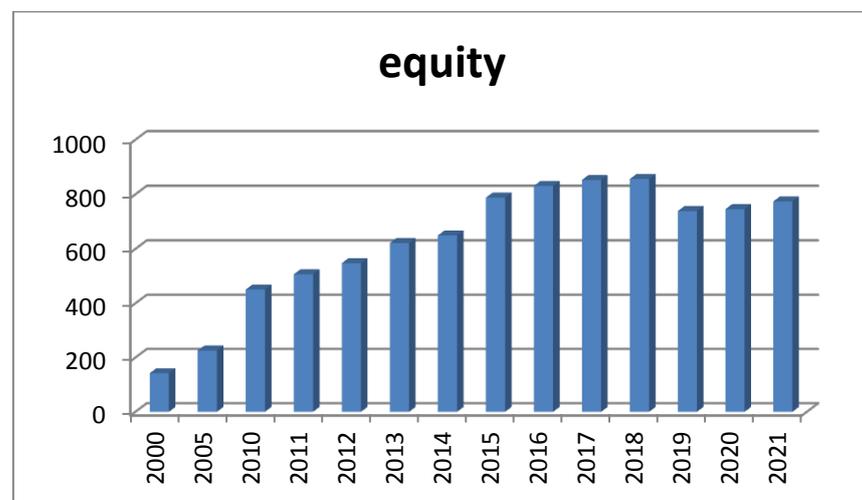


Figure 3.4 – Chart of changes in equity by year, in trillions of Chinese yuan (2000, 2005 – 2021), built on the basis of the data in Table 3.3

According to fig. 3.4, it can be seen that starting from 2000 and for 18 years, the level of equity has been constantly increasing. Since 2018, there has been a slight decrease in the amount of equity capital, which is associated with the expansion of the company's activities and the development of new investment projects of the company.

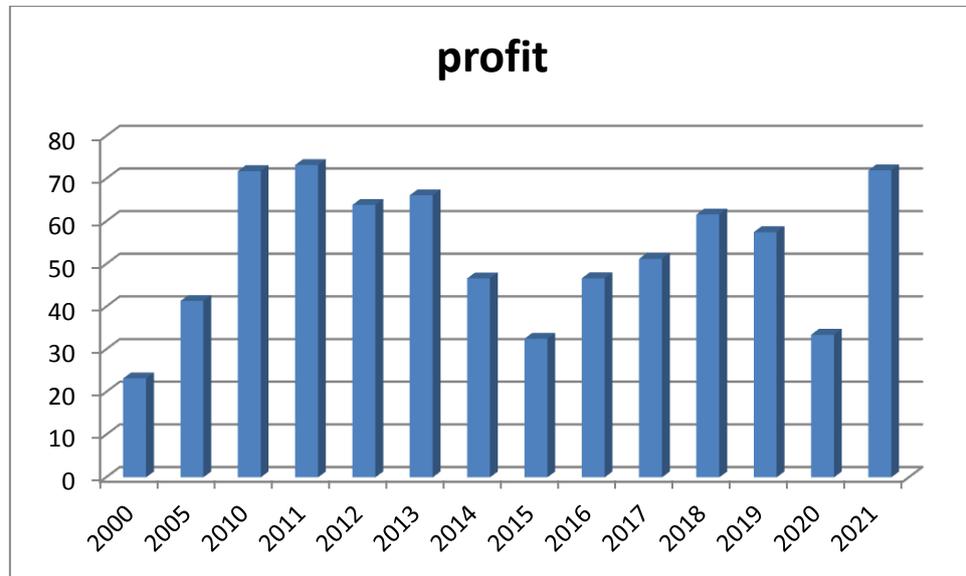


Figure 3.5 – Chart of changes in net profit by year, in trillions of Chinese yuan (2000, 2005 – 2021), built on the basis of the data in Table 3.3

From fig. 3.5 shows that the level of net profit over the years also changes at a rather rapid pace. In the first years, starting from 2000 and ending in 2005, the level of profit increased almost twice, which indicates the efficiency of the company's activities and the high profitability of the industry.

Another competitor of PetroChina is the Chinese oil and gas company **CNOOC Limited**, which is a subsidiary of China National Offshore Oil Corporation . The company was registered in Hong Kong, so part of its shares are traded on the Hong Kong stock markets.

Proved oil and gas reserves at the end of 2021 amounted to 5.73 billion barrels of oil equivalent, of which 57.4% are in the territorial waters of the People's Republic of China. The distribution of oil reserves by region is shown in Table 3.4

Table 3.4 - Oil and gas reserves of a Chinese oil and gas company CNOOC Limited for the period of 2021 [37]

Region	The number of oil reserves
Bohaiwan Bay (northwestern part of the Yellow Sea)	1.54 billion barrels
Bituminous sands (Canada)	884 million barrels
The western part of the South China Sea	847 million barrels
the eastern part of the South China Sea	665 million barrels
South America (Brazil, Argentina, Guyana)	474 million barrels
Asia except China (Indonesia, Iraq and UAE)	316 million barrels
North America excluding Canada (Gulf of Mexico and shale gas in the US)	234 million barrels
East China Sea	155 million barrels
Europe (North Sea)	66 million barrels
Africa (Nigeria and Uganda)	53 million barrels
Oceania (Australia and Papua New Guinea)	40 million barrels

Thus, according to Table 3.4, it can be concluded that the average level of production in 2021 was 1.57 million barrels of oil equivalent per day, of which 1.211 million barrels of oil and 50.2 million m<sup>3</sup> of natural gas. A third of production is in Bohaiwan Bay (522,000 barrels per day), another third is in other regions of China [ 37]

Oil sales are carried out mainly through subsidiaries of CNOOC China Limited (for the Chinese market) and China Offshore Oil ( Singapore ) International Pte Ltd (for international markets) [ 38 ]. The main subsidiaries of the company are shown in fig. 3.6



Figure 3.6 – The largest subsidiaries of CNOOC Limited [38]

Thanks to the competent management and implementation of business planning of the companies' activities, CNOOC Limited has subsidiaries almost all over the world. This affects the constant increase in oil reserves and the discovery and development of new oil and gas fields, which ultimately leads to an increase in the company's profitability.

Thus, in the list of the largest companies in the world Forbes Global 2000 for 2022 took 133rd place (295th in terms of revenue, 80th in terms of net profit, 325th in terms of assets and 238th in terms of market capitalization) [ 39 ]. Therefore, it is worth looking at the financial indicators of the company in order to have a clear idea of the state of affairs in the financial aspect of the company (Table 3.5).

Table 3. 5 - Financial indicators of CNOOC Limited by year, in trillions of Chinese yuan, (2007 - 2022) [40,41, 42, 18, 37]

Indexes Years	Circulation	Net profit	Assets	Equity
2007	90.72	31,26	179.8	134.3
2008	126.0	44,38	206.7	160.2
2009	105.2	29.49	242.3	173.9
2010	180.0	54.41	318.4	215.8
2011	240.9	70.26	384.3	262.9
2012	247.6	63,69	456.1	309.8
2013	285.9	56,46	621.5	341.6
2014	274.6	60.20	662.9	379.6
2015	171.4	20,25	664.4	386.0
2016	146.5	0.637	637.7	382.4
2017	186.4	24.68	617.2	380.0
2018	227.0	52.69	678.8	417.4
2019	233.2	61.05	757.7	448.2
2021	155.4	24.96	721.3	433.7
2022	246.1	70.32	786.6	480.9

The table shows that the level of profit changes cyclically. There are periods of growth in the level of profit, which are replaced by periods of its reduction. It should be added that at the same time the level of own profit does not change. This is due to the fact that the company very actively invests in new profitable projects and constantly expands and develops new oil and gas fields.

Having analyzed the Chinese companies of the oil refining industry, it is worth noting that the development is in the direction of improvement and constant increase of profitability and efficiency of operations. All three companies ( PetroChina , Sinopec CNOOC ) have a strong potential for continuous economic growth and development upon the new implementation of BPDC, which creates economic stability and financial independence.

## CONCLUSIONS

From the development of market relations and the influence of competitive forces, planning of economic processes of companies requires special attention. In today's conditions, China continues to develop rapidly and has a huge influence on the world market due to growing export volumes. The PRC exerts a significant influence on the development of foreign trade and the economies of other partner countries. That is why the pace and features of international cooperation determine and even more stimulate the development of business plans for companies.

In the conditions of instability of economic system development factors, the business environment requires companies to plan strategic and operational activities in more detail, forecast and identify threats and opportunities for their further functioning. As a result, an important element of managerial management is the business planning of companies' activities, as well as the ability to analyze and make management decisions, predict the reactions of companies to the challenges and requests of the external BS and maintain its appropriate behavior on the market.

Taking into account the experience of European companies, domestic enterprises are trying to organize BPCA, thus creating certain companies and even industries as national champions that begin to dominate the domestic economy. As a result, the prerequisites for the emergence of a specific Chinese economy with features of socialism or a socialist market economy are created.

However, there is a need to constantly improve the competitiveness of companies. It is for the sake of increasing the efficiency of operations and profitability that companies combine the efforts of highly qualified and competent specialists to justify a complete management system for the compilation and implementation of a high-quality BP for the enterprise. In addition, factors are additionally analyzed and goals are agreed upon to form a successful business plan for the company. However, the occurrence of economic risk, its assessment by

quantitative and qualitative indicators and proposals for its elimination or non-occurrence are not excluded in the planning process.

It should be added that the operation of the company in an open and free economic environment necessitates the need to constantly respond to changes and show readiness to make decisions with minimal losses for the company. The emergence of external and internal external factors leads to the conduct of a SWOT analysis, which allows you to build and evaluate a strategic balance and analyze a possible change in the company's behavior in the business environment.

In the conditions of rapid economic development of Chinese companies, increasing the efficiency of operations and achieving competitiveness play a special role. However, it is important to consider that understanding what this efficiency and desired competitiveness depends on can lead to the achievement of the set goals.

Thus, in our work, we analyzed the activities of several companies in the oil refining industry in China. Special attention was paid to PetroChina and its main competitors.

The conducted analysis showed that in order to successfully work for 25 years, the PetroChina company created and expanded its capabilities thanks to subsidiary companies.

Other companies considered in the work: Sinopec and CNOOC. A comparative characterization of companies based on the main financial indicators was carried out, as a result of which it was established that the net profit of the company PetroChina is significantly higher than that of its competitors. This creates financial stability for the company and opportunities for further development and expansion of the spheres of activity. In addition, the presence of a large number of oil reserves and developed mining activity significantly affects the financial indicators of the company. The oil and gas company occupies the second position in terms of production volume Sinopec Limited , or China Petroleum & Chemical Corporation , which was integrated as an energy and chemical company.

Company CNOOC Limited , which is a subsidiary of China National Offshore Oil Corporation , also has a strong position in the oil products market. Proved oil and gas reserves at the end of 2021 amounted to 5.73 billion barrels of oil equivalent, of which 57.4% are in the territorial waters of the People's Republic of China.

Thanks to the competent management and implementation of business planning of the companies, CNOOC Limited has subsidiaries almost all over the world. This affects the constant increase in oil reserves and the discovery and development of new oil and gas fields, which ultimately leads to an increase in the company's profitability.

Having analyzed the Chinese companies of the oil refining industry, it is worth noting that the development is in the direction of improvement and constant increase of profitability and efficiency of operations. All three companies (PetroChina , Sinopec CNOOC) have a strong potential for continuous economic growth and development upon the new implementation of BPCΦ, which creates economic stability and financial independence.

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